

# Loan Repayment Assistance for Public Interest Lawyers



## **NC LEAF Presentation to the North Carolina Courts Commission**

**Friday, OCTOBER 21, 2016**

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President, NC LEAF

# What is NC LEAF?



- NC LEAF is the nation's oldest loan repayment assistance program.
- In the past 25 years NC LEAF has assisted 1,449 public interest attorneys by providing \$7.1 million in forgivable loans for relief from mortgage-size law school debt.



## **The Need for a Statewide Loan Repayment Assistance Program**

- Prosecutors, public defenders and legal aid lawyers keep communities safe, protect the rights of citizens and promote fair and efficient administration of justice and public safety.
- Rising law school debt and low salaries in public service positions present enormous impediments for law graduates committed to public interest careers.



## **The Need for a Statewide Loan Repayment Assistance Program**

- Starting salary for prosecutors and public defenders in some jurisdictions is \$40,366.
- The average amount of law school debt of NC LEAF recipients is \$168,000.

# Cost of Living Increases for State Employees 2005 - 2016



2005	2% OR \$850 + 40 hours leave
2006	5.5%
2007	4.0%
2008	2.75% or \$1,100
2009	\$0
2010	\$0

2011	\$0
2012	1.2%
2013	40 hours leave
2014	\$1,000 + 40 hours leave
2015	\$750
2016	4.5% + 0.5% Bonus



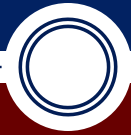
## **NC LEAF ELIGIBILITY**

- NC LEAF provides one year forgivable loans up to \$4,800 annually to eligible attorneys employed as prosecutors, public defenders and legal services providers to those with the least ability to repay their law school debt.
- Eligibility requirements cap Adjusted Gross Income at \$50,000 for those filing individually and \$90,000 jointly.



## Federal Loan Repayment Programs

- The **FEDERAL** Public Service Loan Forgiveness (PSLF) forgives the remaining balance of Direct Loans after the participant makes 120 qualifying monthly payments while working full-time in public service.
- The federal John R. Justice program for prosecutors and public defenders who commit to three years of employment has benefitted 144 attorneys since 2011. (Up to \$4,800 annually)



1,449

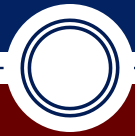
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Total  
Number of  
Attorneys  
Served  
Since 1990

## HISTORICAL PERCENTAGES

- LANC = 32%
- ADA = 29%
- Legal Services = 16%
- APD = 13%
- JRJ – ADA = 5%
- JRJ – APD = 5%





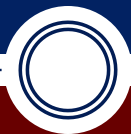
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Number of  
Attorneys  
Served in  
2016

## 2016 NUMBERS

- LANC\* = 49
- ADA = 19
- APD = 9
- JRJ – ADA = 7
- JRJ – APD = 6
- Legal Services = 4



**NC LEAF**

**2016**

**SERVING  
ALL OF  
NORTH  
CAROLINA**

LANC and IDS Recipients serve statewide.  
In addition, the following counties are  
represented by NC LEAF Recipients.

- Cabarrus
- Cleveland
- Columbus
- Forsyth
- Granville
- Guilford
- Henderson
- Madison
- Mecklenburg
- New Hanover
- Orange
- Pasquotank
- Pasquotank
- Pitt
- Polk
- Robeson
- Buncombe
- Rockingham
- Rowan
- Rutherford
- Scotland
- Surrey
- Transylvania
- Union
- Wake



2017

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New  
Applicants

## 2017 New Applicants

- Legal Services Providers = 5
- ADA = 9
- APD = 7
- JRJ – ADA = 6
- JRJ – APD = 5



2017

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Recipient  
Need

2017 Recipient Need  
Average Law School Debt

Prosecutors  
\$167,550

Public Defenders  
\$168,870

# Restore State Funding for NC LEAF



Requesting restoration of \$500,000 from the General Assembly in 2017 to provide loan repayment for public interest attorneys serving as prosecutors, public defenders and legal services providers with the least ability to repay law school loans.